PHILIP MORRIS COMMUNITY EVENT MARKETING PROGRAM MUSIC

EVENT CONCEPT

Philip Morris concerts are presented at major community festivals. The marketing efforts which support Philip Morris USA's position in the marketplace is the value consumers receive by way of the staging appearance and talent presented.

PROGRAM OBJECTIVES

- Increase overall concert attendance;
- Maximize name generation activities for data base (will be handled by a separate agency);
- Support concerts through retail extension, where applicable;
- Support each concert through public relations and print advertising campaign.

STRATEGIES

- Present Philip Morris concerts in 4 major markets;
- Continue to open the festival concert to communities;
- Through dominance at each event, maximize name generation opportunities.

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VENDOR RESPONSIBILITIES

- Provide one representative to act as account supervisor who will be specifically responsible for all PM related activities and to liaison between supplier and PM on a constant basis;

- Provide an Event Supervisor to oversee each event;

- Provide an operating crew for each event to include: production manager, stage manager, site coordinator, master carpenter, master electrician, labor supervisors, light crew, sound crew, drivers and other personnel required;

- Provide adequate and professional supervision and support to the operating crew, and, technical assistance and advise to PM and third parties designated by PM on all matters related to the presentation of the event;

- Provide adequate room, power, and access for such equipment;

- Transport the equipment to and from the event;

- Supervise the installation, operation, and dismantling of the equipment prior and subsequent to each event;

- Cooperate with representatives from PM and any third parties designated with PM;

- Be available to meet with PM representatives, at reasonable times, as requested, at PM headquarters in New York or other locations.

BUDGET/EXPENSES/RECONCILIATION

- Provide to PM an operating budget, subject to approval, including a schedule of payments as advances against expenses;

- Funds allocated to one budget category may not be allocated to expenses incurred in another category without the prior, written approval of PM;

- Provide PM, within 30 days of each advance, a reconciliation of that advance and details of the actual amounts incurred by supplier during that time period. If the advance exceeds actual spending, a check for the difference must accompany the reconciliation. If actual spending exceeds the advance (and was approved in advance by PM) an invoice for the difference must accompany the reconciliation;

- All expenses incurred in excess of $25 must be submitted with receipts;

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- All expenses in excess $250 which are not included in a budget approved by PM must be approved in advance by PM;

- Provide a total reconciliation, with appropriate documentation, at the end of the contract period;

- Maintain detailed and accurate books and records of account;

- Records must include check number, dollar amount, identity of payee and reason for expenditure;

- Final accounting must be certified by an appropriate officer of authorized representative of the supplier;

- PM shall have the right, at any reasonable time and place, to inspect, review and copy supplier's books and records during the term of the agreement and for six months thereafter.

CONFIDENTIALITY

- Supplier, its employees and agents will hold all information and materials provided by PM as strictly confidential and will be required to execute confidentiality agreements in that regard.

TERMINATION

- Promoter agreement may be terminated by Philip Morris with or without a use upon 30 days notice to Promoter; and

- Promoter recognizes and acknowledges that the Philip Morris brand names and the designs, emblems, slogans and insignia of the Philip Morris brand names have great value and goodwill and are the sole property of Philip Morris, and Promoter agrees that it has and will claim no right, title or interest in or to the same or the right to use the same except in accordance with the terms and conditions of the Agreement. Any materials developed or created for the program by Promoter shall become the sole property of Philip Morris and promoter shall assign any and all rights to such materials to Philip Morris at Philip Morris' request.

INDEMNITY

- Supplier will indemnify and hold harmless PM for any claim that arises from any error, omission or fault of the Supplier.

EXCLUSIVITY

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- Supplier will not, for the full term of the agreement and for six months thereafter, engage in technical production or similar activities for any person, company or other entity the business of which competes with any tobacco product of PM.

INSURANCE

- Provide comprehensive general liability coverage, including advertiser, contractual, spectators' and participants' liability, with a combined single limit of no less than $5,000,000 per occurrence for bodily injury, including personal injury, and property damage;

- Provide comprehensive automobile liability for all owned, non-owned and hired vehicles with bodily injury limits of no less than $5,000,000 per person, $5,000,000 per accident and property damage limits of no less than $5,000,000 per accident;

- Provide statutory worker's compensation coverage meeting all state and local requirements including coverage for employer's liability with limits of no less than $500,000;

- Evidence of all insurance coverage must name PM, its affiliates, agents, representatives, employees and assigns as additional insured and must state that PM will be provided at least thirty days advance, written notice of a cancellation or modification of the insurance;

- All insurance must be primary coverage without right of contribution from any other PM insurance;

- Supplier must provide comparable evidence of coverage from all subcontractors with the same provisions as to the naming of PM as additional insured.

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PRICING

Please submit a bid for the following items

- Management fee for total program
- Account supervisor
- Event supervisor

If awarded the project, consideration will be given to a two year agreement. Please note the fact that all other costs associated with execution of the program must be billed to Philip Morris at actual cost.

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